

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** PCS for HB 791 Residential Properties

**SPONSOR(S):** Civil Justice Subcommittee

**TIED BILLS:** None **IDEN./SIM. BILLS:** SB 748

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Civil Justice Subcommittee		Malcolm	Bond

### SUMMARY ANALYSIS

The bill amends the statutes relating to various forms of residential properties, including condominiums, cooperatives, and homeowners' associations. Specifically, the bill:

- Creates new provisions in the Condominium Act to replace current bulk buyer and bulk assignee provisions, to regulate the operations, liabilities, and responsibilities of buyers, and their lenders, of large numbers of condominium units, and to provide protections for the interests of other lenders, unit owners, and condominium associations;
- Amends the definition of "developer" to exclude certain owners who own small numbers of condominium units;
- Modifies the calculation of the documentary stamp tax due on real property transferred to a condominium, cooperative, or homeowners' associations in lieu of foreclosure of an assessment lien;
- Removes uninsured losses as a common expense of a condominium association;
- Provides for unit owner liability for special assessments and for joint and several liability with previous unit owners for costs associated with unpaid assessments;
- Regulates the order of application of payments received by a condominium or cooperative association for past due assessments;
- Creates new events that trigger the transfer of control of a condominium board of administration from a developer;
- Revises provisions related to fines and penalties assessed by associations;
- Provides that a homeowners' association may only levy fines up to \$100, unless otherwise provided in the association's governing documents;
- Provides that a homeowners' association member that fails to pay a fine may be suspended from the board of directors or barred from running for the board;
- Provides that a homeowners' association's failure to provide notice of the recording of an amendment does not affect the validity or enforceability of the amendment;
- Authorizes non-profit corporation proxy voting based on a reproduction of the original proxy; and
- Updates the definition of "governing documents" for homeowners' associations to include the rules and regulations that have been adopted by the association.

The bill appears to have an indeterminate negative recurring fiscal impact on state revenue. The bill does not appear to have a fiscal impact on local government.

The bill provides an effective date of July 1, 2015.

HB 791 as filed is referred to the Civil Justice Subcommittee, the Finance and Tax Committee, and the Judiciary Committee.

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### **Background**

##### ***Condominiums***

A condominium is a form of ownership of real property created pursuant to ch. 718, F.S., which is comprised of units which are individually owned, but have an undivided share of access to common facilities.<sup>1</sup> A condominium is created by recording a declaration of condominium in the public records of the county in which the condominium will be located.<sup>2</sup> A declaration is similar to a constitution in that it governs the relationships among condominium unit owners and the condominium association. Specifically, a declaration of condominium may include covenants and restrictions concerning the use, occupancy, and transfer of the units permitted by law with reference to real property.<sup>3</sup>

All unit owners are members of the condominium association, an entity responsible for the operation of the common elements owned by the unit owners, which operates or maintains real property in which unit owners have use rights.<sup>4</sup> The condominium association is overseen by an elected board of directors, commonly referred to as a "board of administration."<sup>5</sup> The association enacts condominium association bylaws, which govern the administration of the association, including, but not limited to, quorum, voting rights, and election and removal of board members.<sup>6</sup>

##### ***Cooperative Associations***

A cooperative is a form of real property ownership created pursuant to ch. 719, F.S. The real property is owned by the cooperative association,<sup>7</sup> and individual units are leased to the residents, who own shares in the cooperative association.<sup>8</sup> The lease payment amount is the pro-rata share of the operational expenses of the cooperative. Cooperatives are, in practice, operated in a fashion very similar to condominiums, and the laws regulating cooperatives are in many instances nearly identical.

##### ***Homeowners' Associations***

A homeowners' association is a corporation responsible for the operation of a community subdivision. Only homeowners' associations whose covenants and restrictions include mandatory assessments are regulated by the statute.<sup>9</sup>

##### ***Distressed Condominium Relief Act***

In 2010, the Legislature passed the Distressed Condominium Relief Act (Act) in order to relieve developers, lenders, unit owners, and condominium associations from certain provisions of the Florida Condominium Act. The Act was intended to relieve specific parties from certain liabilities so as to enable economic opportunities for successor purchasers of distressed condominiums.<sup>10</sup>

Specifically, the Act created categories of "bulk buyers" and "bulk assignees." A bulk assignee is a person who acquires more than seven condominium parcels as provided in s. 718.703, F.S., and

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<sup>1</sup> Section 718.103(11), F.S.

<sup>2</sup> Section 718.104(2), F.S.

<sup>3</sup> *Id.* at (5).

<sup>4</sup> Section 718.103(2), F.S.

<sup>5</sup> *Id.* at (4).

<sup>6</sup> Section 718.112, F.S.

<sup>7</sup> Section 719.103(2), F.S.

<sup>8</sup> *Id.* at (26).

<sup>9</sup> Section 720.301(9), F.S.

<sup>10</sup> Chapter 2010-174, L.O.F.

receives an assignment of some or all of the rights of the developer under specified recording documents.<sup>11</sup> Similarly, a bulk buyer is a person who acquires more than seven condominium parcels, but who does not receive an assignment of developer rights other than the right to: conduct sales, leasing, and marketing activities within the condominium; be exempt from payment of working capital contributions; and be exempt from rights of first refusal.<sup>12</sup>

Because the Act was created in reaction to the "massive downturn in the condominium market which has occurred throughout the state," it was not intended to be open-ended. Rather, the intent of the Legislature was to enact the relief only for "a specific and defined period."<sup>13</sup> Accordingly, the time limitation for classification as a bulk assignee or bulk buyer is until July 1, 2016.

## **Effect of the Bill**

### **Condominiums - Bulk-Unit Purchasers and Lender-Unit Purchasers**

The bill creates Part VIII of ch. 718, F.S., consisting of ss. 718.801-718.812, F.S., entitled "Bulk-Unit Purchasers and Lender-Unit Purchasers," to replace the Distressed Condominium Relief Act.

Newly-created s. 718.801, F.S., provides a statement of legislative intent that it is the public policy of this state to protect the interests of developers, lenders, unit owners, and condominium associations with regard to bulk-unit purchasers or lender-unit purchasers of condominium units and that there is a need to balance such interests by limiting the applicability of the Distressed Condominium Relief Act.

#### *Definitions*

The bill creates s. 718.802, F.S., to define "bulk-unit purchaser" as a person who acquires title to the greater of at least eight units or 20 percent of the units that ultimately will be operated by the same association. The term does not include a purchaser who acquired title to defraud or harm a purchaser, unit owner, or the association; where the acquirer would be an insider of the bulk-unit purchaser or the developer; or where the acquisition is a fraudulent transfer under ch. 726, F.S.

It also defines "lender-unit purchaser" as a mortgagee, who holds a mortgage from a developer or bulk-unit purchaser, who subsequently obtains title to the units through foreclosure or deed in lieu of foreclosure, and who elects to become a lender-unit purchaser by providing written notice of the election to the condominium association.

#### *Developer Rights of Bulk-Unit Purchasers and Lender-Unit Purchasers*

The bill creates s. 718.803, F.S., relating to the developer rights of bulk-unit purchasers and lender-unit purchasers. Generally, a lender-unit purchaser may exercise any developer rights that the lender-unit purchaser acquires. However, a bulk-unit purchaser may only exercise the following developer rights, provided they are contained in the condominium declaration:

- The right to conduct sales, leasing, and marketing activities within the condominium;
- The right to assign limited common elements and use rights to common elements and association property which were not assigned before the bulk-unit purchaser acquired title; and
- For a phase condominium, the right to add phases.

If a bulk-unit purchaser exercises developer rights other than those specified, it is no longer deemed to be a bulk-unit purchaser.

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<sup>11</sup> Section 718.703(1), F.S.

<sup>12</sup> *Id.* at (2).

<sup>13</sup> Section 718.702, F.S.

The bill also provides a time-frame by which a bulk-unit purchaser must pay a working capital contribution to the association in situations where the initial purchaser of a unit from the developer is required to make a working capital contribution to the association.

#### *Compliance with Existing Sales and Reservation Laws*

The bill creates s. 718.804, F.S., to require bulk-unit purchasers and lender-unit purchasers to comply with the requirements of s. 718.202, F.S.,<sup>14</sup> and part V of ch. 718, F.S.,<sup>15</sup> in connection with any units they own or sell.

#### *Voting Rights Related to Funding of Reserves*

The bill creates s. 718.805, F.S., to provide that for the first two years following the first conveyance of a unit to a bulk-unit purchaser or lender-unit purchaser, the bulk-unit purchaser or lender-unit purchaser may vote the voting interests allocated to its units to waive reserves or reduce the funding of reserves. After these two years, the bulk-unit purchaser or lender-unit purchaser may not vote its voting interests to waive reserves or reduce the funding of reserves until the bulk-unit purchaser or lender-unit purchaser holds less than a majority of the voting interests in the association.

#### *Assessment Liability and Election of Directors*

The bill creates s. 718.806, F.S., relating to the liability of bulk-unit purchasers and lender-unit purchasers for assessments. A bulk-unit purchaser is liable for all assessments on its units that become due while it holds title to the units. Additionally, the bulk-unit purchaser is jointly and severally liable with the previous owner for all unpaid assessments which became due before the acquisition of title, for all other monetary obligations accrued which are secured by the association's lien, and for all costs advanced by the association for the maintenance and repair of the units acquired by the bulk-unit purchaser.

A director who has been elected or appointed by a bulk-unit purchaser is automatically suspended from board service 30 days following the failure of the bulk-unit purchaser to timely pay monetary obligations on a unit the bulk-unit purchaser owns. The remaining directors may temporarily fill the vacancy created by the suspension.

A lender-unit purchaser's liability for assessments for the units the lender-unit purchaser owns is limited to the lesser of:

- The units' unpaid regular assessments that accrued during the 12 months immediately preceding the lender-unit purchaser's acquisition of title; or
- One percent of the original mortgage debt.

The lender-unit purchaser acquiring title must comply with the current law requirement that the person acquiring title must pay the amount owed to the association within 30 days after transfer of title.<sup>16</sup>

#### *Amendments and Material Alterations*

The bill creates s. 718.807, F.S., to provide that the following amendments or alterations that may not be made unless they are approved by a majority vote of unit owners other than the developer, a bulk-unit purchaser, or a lender-unit purchaser:

- An amendment related to the configuration of a unit or to create a timeshare;
- An amendment creating, changing, or terminating leasing restrictions;

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<sup>14</sup> Section 718.202, F.S., relates to sales or reservation deposits made prior to closing.

<sup>15</sup> Part V of ch. 718, F.S., regulates sales and disclosures prior to sales of residential condominiums.

<sup>16</sup> Section 718.116(1)(c), F.S.

- An amendment of the declaration pertaining to the condominium's status as housing for older persons;
- An amendment related to reclassification as a limited common element; and
- Material alterations to the common elements or association property any time a bulk-unit purchaser, a lender-unit purchaser, developer, or a combination thereof owns a percentage of voting interests equal to or greater than the percentage required to approve the amendment.

Additionally, the bill requires consent of the developer, a bulk-unit purchaser, or a lender-unit purchaser for an amendment that would otherwise require the approval of their voting interests as required by the declaration, articles of incorporation, bylaws or current law.

### *Warranties and Disclosures*

Current law, s. 718.203, F.S., provides that a developer grants an implied warranty of fitness and merchantability as to the each unit, improvements, personal property, and other components associated with the sale of a unit.

The bill creates s. 718.808, F.S., related to the warranties and disclosures that bulk-unit purchasers and lender-unit purchasers are required to provide. A bulk-unit purchaser or lender-unit purchaser grants an implied warranty of fitness and merchantability to a purchaser of each unit sold for a period of 3 years, which begins on the date of the completion of repairs or improvements that the bulk-unit purchaser or lender-unit purchaser makes to the unit, common elements, or limited common elements.

A bulk-unit purchaser or lender-unit purchaser must include a disclosure to purchasers on any sales contract that states that the seller is not the developer of the condominium for any purpose under the Condominium Act. A lender-unit purchaser must also disclose that it took title to the units being sold by foreclosure or deed in lieu of foreclosure.

At or before the signing of a contract to sell a unit, a bulk-unit purchaser or lender-unit purchaser must provide a condition report to the prospective purchaser. The condition report must include a description of the repairs or replacements necessary to cure construction defects identified in the report. The report must be prepared before the bulk-unit purchaser or the lender-unit purchaser enters into its first sales contract, but not more than 6 months before the first sales contract is agreed upon. It must updated no later than 1 year after the first closing and each year thereafter.

If, during the course of preparing the condition report, the architect or engineer becomes aware of a component that violates an applicable building code or law or that deviates from the building plans, the architect or engineer must disclose such information in the report. The architect or engineer must make written inquiry to the applicable local government of any building code violations and include in the condition report the government's response or failure to respond.

If a condition report is not provided to a purchaser, the bulk-unit purchaser or lender-unit purchaser grants and implied warranties of fitness and merchantability, which are not limited to the construction, improvements, or repairs that it undertakes to the condominium.

### *Joint and Several Liability*

The bill creates s. 718.809, F.S., to provide that for the purposes of ch. 718, F.S., if there are multiple bulk-unit purchasers, the units owned by the bulk-unit purchasers and the rights of the bulk-unit purchasers will be aggregated as if there were only one bulk-unit purchaser. Each bulk-unit purchaser is jointly and severally liable with his or her predecessor bulk-unit purchasers.

### *Construction Disputes*

The bill creates s. 718.810, F.S., to provide that a condominium board of administration composed of a majority of directors elected or appointed by a bulk-unit purchaser may not resolve a construction

dispute that is subject to ch. 558, F.S.,<sup>17</sup> unless such resolution is approved by a majority of the voting interests of the unit owners other than the developer and a bulk-unit purchaser.

### *Noncompliance*

The bill creates s. 718.811, F.S., to provide that a bulk-unit purchaser or a lender-unit purchaser who fails to comply with the requirements of ch. 718, F.S., relating to the obligations and rights of bulk-unit purchasers and lender-unit purchasers forfeits all protections provided under the Condominium Act.

### *Documents to be Delivered Upon Turnover*

In an ordinary turnover, the developer is required to deliver certain items and documents to the new board of administration that is controlled by unit owners. The bill creates s. 718.812, F.S., to provide that when a turn-over occurs after a bulk-unit purchaser no longer elects a board of administration, the bulk-unit purchaser must deliver all of the items specified in s. 718.301(4), F.S., to the association that are in the bulk-unit purchaser's possession. The bulk-unit purchaser must try to get turnover materials from the original developer and must list materials that it was unable to obtain.

### **Condominiums - Definition of Developer**

Section 718.103(16), F.S., defines a developer as one "who creates a condominium or offers condominium [units] for sale or lease in the ordinary course of business . . ." In essence, the statute creates two classes of developers: those who create the condominium by executing and recording the condominium documents and those who offer condominium units for sale or lease in the ordinary course of business. There are advantages that may accrue with the status as successor developer, including acquisition of certain developer-retained rights under the condominium documents and the ability to control the condominium association by electing or designating a majority of the directors of the condominium association board of directors. On the other hand, there are certain disadvantages, including potential warranty liability, liability for prior financial mismanagement of the condominium association, and loss of the ability to control the condominium association.<sup>18</sup> In light of these advantages and disadvantages for successor developers, current law excludes a bulk assignee and a bulk buyer from the definition of developer.<sup>19</sup>

The bill amends the definition of "developer" in s. 718.103(16), F.S., to exclude bulk-unit purchasers and lender-unit purchasers to reflect their creation and regulation in the bill. The bill also excludes from the definition of "developer" a person who owns 7 or fewer units operated by an association consisting of 40 or fewer units or who owns less than 20 percent of the units operated by an association consisting of more than 40 units.

### **Documentary Stamp Tax**

Section 201.02(1), F.S., currently imposes documentary stamp tax on documents that transfer an interest in Florida real property. The tax is calculated based on the "consideration" of the transfer. Consideration includes money paid or to be paid, the discharge of an obligation, and the amount of any mortgage or other encumbrance. The current tax is \$0.70 for each \$100 of consideration.

Subsections (6) through (9) of s. 201.02, F.S., provide exemptions and limitations to the imposition of the documentary stamp tax, including certain judicial sales of real property under a foreclosure order. Currently, there is no exemption or limitation for transfers to condominium, cooperative, or homeowners' associations, or vacation and timeshare plans, when the property is transferred in lieu of foreclosure of an assessment lien.

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<sup>17</sup> Chapter 558, F.S., provides for presuit notice and an opportunity to cure construction defects.

<sup>18</sup> Schwartz, *The Successor Developer Conundrum in Distressed Condominium Projects*, The Florida Bar Journal, Vol. 83, No. 7, July/August 2009.

<sup>19</sup> See *Distressed Condominium Relief Act* discussion above.

The bill amends s. 201.02(9), F.S., to provide that a document that transfers property to a condominium, cooperative, or homeowners' associations, or vacation and timeshare management or owners' association in lieu of foreclosure of an assessment lien is subject to documentary stamp tax based solely on the amount of unpaid assessments on the date of the transfer.

### **Condominiums - Association Insurance and Repair of Uninsured Events**

Current law, s. 718.111(11), F.S., provides that condominium property that is damaged by an insurable event must be repaired or replaced by the association as a common expense. If the damage is not the result of an insurable event, the association or the unit owners are responsible for the repair or replacement, as determined by the declaration or bylaws. The bill specifies that in cases where the damage is not the result of an insurable event, the *maintenance* provisions of declaration or bylaws determine whether the association or the unit owners are responsible for the repair or replacement.

### **Condominiums and Cooperatives - Assessments**

Condominium and cooperative associations collect regular assessments from the unit owners in order to pay for management, maintenance, insurance, and reserves for anticipated future major expenses. Currently, s. 718.116, F.S., provides for the collection of periodic and special assessments to fund the condominium association. A unit owner is liable for all assessments which come due while he or she is the owner. Additionally, a unit owner is jointly and severally liable with the previous owner for all unpaid assessments that came due up to the time of transfer of title. However, the unit owner may recover from the previous owner the amounts paid by the owner. Additionally, current law generally limits the liability of a mortgagee who acquires title to a unit by foreclosure or by deed in lieu of foreclosure for unpaid assessments

The bill amends s. 718.116, F.S., to specify that a condominium unit owner is liable for any special assessments or installments on special assessments due during his or her period of ownership, regardless of when it was levied. It also provides that a unit owner is jointly and severally liable with the previous unit owner for all interest, late fees, costs and reasonable attorney fees incurred by the association in collecting unpaid assessments; however, this joint and several liability does not apply to an owner who acquires title through purchase of a tax deed. The bill also limits the liability of a mortgagee who acquires title to a unit by foreclosure or by deed in lieu of foreclosure for unpaid interest, late fees, costs and reasonable attorney fees, and any other fee, cost, or expense incurred by the association in the collection process.

Sections 718.112(3) and 719.108(3), F.S., provide that any payment received by a condominium or cooperative association must be applied first to any interest accrued by the association, then to any administrative late fee, then to any costs and reasonable attorney's fees incurred in collection, and then to the delinquent assessment. This payment structure applies in spite of any restrictive endorsement, designation, or instruction placed on or accompanying a payment.

The bill amends ss. 718.112(3) and 719.108(3), F.S., to provide that the required distribution of delinquent assessment payments also applies in spite of any purported accord and satisfaction.<sup>20</sup> The bill states that the amended sentences are intended to clarify existing law.

### **Condominiums - Transfer of Control**

Section 718.301, F.S., requires that the control of a condominium association must be turned over to the nondeveloper unit owners upon the occurrence of any one of a number of identified events, such as three years after 50 percent of the units have been conveyed, when some of the units have been conveyed to purchasers and none of the others are being constructed or offered for sale by the developer; and, when the developer files a petition seeking bankruptcy protection.

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<sup>20</sup> Generally, an accord and satisfaction occurs when a person against whom a claim is asserted proves that debt payment instrument or an accompanying written communication contained a conspicuous statement that the instrument was tendered as full satisfaction of the claim. The result is that the claimed debt is discharged. See s. 673.3111, F.S.

The bill amends s. 718.301, F.S., to add three events that trigger transfer of control from the developer:

- When a bulk-unit purchaser who owns a majority of the units files a bankruptcy petition;
- When a receiver for a bulk-unit purchaser who owns a majority of the units is appointed by a circuit court and is not discharged within 30 days after such appointment; and
- Five years after the date of recording of the first conveyance to a bulk-unit purchaser that owns a majority of the units.

### **Condominiums - Agreements Entered Into by the Association**

Section 718.302, F.S., currently provides that contracts for the operation, maintenance, or management of a condominium association entered into by a developer and contracts that require the association to purchase condominium property or lease condominium property to another party are subject to cancellation by unit owners once certain conditions are met.

The bill amends s. 718.302, F.S., to prohibit a lender-unit purchaser from voting on the cancellation of a contract made by the association while the association is under control of that lender-unit purchaser.

### **Condominiums, Cooperatives, and Homeowners' Associations - Fines and Penalties**

Current law authorizes condominium, cooperative, and homeowners' associations to levy fines against owners or members who violate the association's rules or other governing documents.<sup>21</sup> A fine may only be levied after the association has provided the owner or member notice and a hearing. If an owner or member fails to pay an imposed monetary obligation, the association may suspend his or her right to use common elements, facilities, or areas and may suspend his or her voting rights. Additionally, failure by an owner or member of a condominium or cooperative association to pay a monetary obligation bars him or her from being nominated for the board,<sup>22</sup> and, if he or she is a condominium board member, failure to pay after 90 days results in abandonment in his or her seat on the board.<sup>23</sup>

The bill amends ss. 718.303, 719.303, and 720.305, F.S., to provide general uniformity among the three provisions. The bill specifies that it is the board of administration of the association that levies any fines and that the committee formed to hear potential fines is limited to that purpose and must be impartial.

With regard to condominium and homeowners' associations, the bill provides that when an owner or member's voting rights have been suspended, the total number of voting interests of the association must be reduced by the number of suspended voting interests when calculating the total percentage or number of all voting interests available to take or approve any action. Additionally, any suspensions imposed apply even if the suspension arose from less than all of the units or parcels owned by the member.

With regard to homeowners' associations only, the bill provides that a fine may not exceed \$100 per violation, unless a greater amount is provided in the association's governing documents. The bill also provides that an association member's failure to pay a monetary obligation bars him or her from being nominated for the board, and, if he or she is a board member, failure to pay after 90 days results in abandonment in his or her seat on the board.

### **Homeowners' Associations - Amendments to Governing Documents**

Section 720.306(1), F.S., provides that a homeowners' association may amend its governing documents. The process for amendment, and the vote required is generally found in the governing

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<sup>21</sup> Sections 718.303, 719.303, and 720.305, F.S.

<sup>22</sup> Sections 718.112(2)(d)(2) and 719.106(1)(a)2., F.S.

<sup>23</sup> Section 718.112(2)(n)

documents. Once adopted, an amendment to the governing documents must be recorded in the public records. Generally, a homeowners' association must furnish each member with a copy of an amendment within 30 days of recording; however, in lieu of providing a copy of the recorded amendment, the association may provide notice to members that the amendment was adopted and identify the book and page number or instrument number of the recorded amendment.

The bill amends 720.306(1), F.S., to provide that the association's failure to timely provide notice of the recording of the amendment does not affect the validity or enforceability of the amendment.

### **Other Effects of the Bill**

The bill amends s. 617.0721, F.S., related to proxy voting for members of a non-profit corporation, to provide that a copy, fax, or other reliable reproduction of an original proxy may be substituted for any purpose for which the original proxy could be used.

The bill amends s. 718.111, F.S., and s. 719.104, F.S., to specify that "all other *written* records" of the condominium association and cooperative association which are related to the association but not otherwise specifically required in current law, are considered official records that must be maintained by the association.

This bill amends the regulatory authority of the DBPR at s. 718.501, F.S., to provide that the department has jurisdiction over, and regulatory authority over, bulk-unit purchasers and lender-unit purchasers.

The bill creates s. 718.709, F.S., to specifically provide that the Distressed Condominium Relief Act only applies to title to units acquired on or after July 1, 2010, but before July 1, 2016.

The bill amends s. 720.301, F.S., to update the definition of "governing documents" for homeowners' associations, to include the rules and regulations adopted under the authority of the association's declaration, articles of incorporation, or bylaws.

The bill creates s. 720.3015, F.S., to identify ch. 720, F.S., as the "Homeowners' Association Act."

The bill makes technical, drafting, and conforming changes to ch. 718, F.S., due to the creation of Part VIII of ch. 718, F.S., related to bulk-unit purchasers and lender-unit purchasers.

The bill provides an effective date of July 1, 2015.

### **B. SECTION DIRECTORY:**

Section 1 amends s. 201.02, F.S., related to tax on deeds and other instruments relating to real property or interests in real property.

Section 2 amends s. 617.0721, F.S., related to voting by members.

Section 3 amends s. 718.103, F.S., related to definitions.

Section 4 amends s. 718.111, F.S., related to condominium associations.

Section 5 amends s. 718.112, F.S., related to condominium association bylaws.

Section 6 amends s. 718.116, F.S., related to assessments; liability; lien and priority; interest; and collection.

Section 7 amends s. 718.301, F.S., related to transfers of association control and claims of defect by association.

Section 8 amends s. 718.302, F.S., related agreements entered into by the condominium association.

Section 9 amends s. 718.303, F.S., related to the obligations of owners and occupants, and remedies.

Section 10 amends s. 718.501, F.S., related to the authority, responsibility, and duties of Division of Florida Condominiums, Timeshares, and Mobile Homes.

Section 11 amends s. 718.709, F.S., related to the applicability of the Distressed Condominium Relief Act.

Section 12 creates Part VIII of ch. 718, F.S., consisting of ss. 718.801-718.812, F.S., related to bulk-unit purchasers and lender-unit purchasers.

Section 13 amends 719.104, F.S., related to cooperatives; access to units; records; financial reports; assessments; and purchase of leases.

Section 14 amends s. 791.108, F.S., related to rents and assessments; liability; lien and priority; interest; collection; and cooperative ownership.

Section 15 amends s. 719.303, F.S., related to obligations of owners.

Section 16 amends s. 720.301, F.S., related to definitions.

Section 17 creates s. 720.3015, F.S., related to the short title.

Section 18 amends s. 720.305, F.S., related to the obligations of members; remedies at law or in equity; and levy of fines and suspension of use rights.

Section 19 amends 720.306, F.S., related to meetings of members; voting and election procedures; amendments.

Section 20 provides an effective date of July 1, 2015.

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

### **A. FISCAL IMPACT ON STATE GOVERNMENT:**

#### **1. Revenues:**

Section 1 of the bill may have a negative recurring fiscal impact on state documentary stamp tax revenue. The Revenue Estimating Conference has not determined the fiscal impact of the bill on state revenues.

#### **2. Expenditures:**

The bill does not appear to have any impact on state expenditures.

### **B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

#### **1. Revenues:**

The bill does not appear to have any impact on local government revenues.

#### **2. Expenditures:**

The bill does not appear to have any impact on local government expenditures.

### **C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

The bill does not appear to have any direct economic impact on the private sector.

D. FISCAL COMMENTS:

None.

**III. COMMENTS**

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not appear to require counties or municipalities to take an action requiring the expenditure of funds, reduce the authority that counties or municipalities have to raise revenue in the aggregate, nor reduce the percentage of state tax shared with counties or municipalities.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

The bill does not appear to create a need for rulemaking or rulemaking authority.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

**IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**

N/A